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CornerStone Staffing Solutions, Inc. and

Counter-Defendant Mary Anderson

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT—SAN FRANCISCO DIVISION

CORNERSTONE STAFFING  
SOLUTIONS, INC., a California  
corporation,

Plaintiff,

vs.

LARRY THAXTER JAMES, an  
individual; *et al.*,

Defendants.

AND RELATED  
COUNTERCLAIMS

CASE NO. C12-01527 RS

**STIPULATION TO CONTINUE  
TRIAL DATE AND DISCOVERY  
DEADLINES; ~~[PROPOSED]~~ ORDER**

**AS MODIFIED BY THE COURT**

Complaint Filed: March 27, 2012  
Trial Date: February 10, 2014

## STIPULATION

The parties to this stipulation agree and request as follows:

1. As explained below, there are several issues between the parties related to pending bankruptcy proceedings and discovery matters that the parties believe require a trial continuance and extension of various discovery and other deadlines.

### Procedural Issues

2. The Court set February 10, 2014 as the date for trial in this matter. (Docket # 164.) On June 21, 2013, there was a previous modification of the Case Management Scheduling Order to continue the trial date pursuant to the parties' stipulation. (Docket # 164.)

### Bankruptcy Issues

3. The Court postponed ruling on CornerStone's motion for partial summary judgment ("MSJ") pending further briefing on the issue of Larry James' standing to pursue claims in this action as a result of the pending bankruptcy proceedings. (Docket # 224.)

4. On November 19, 2013, the Court granted a request to extend the deadline to file supplemental briefs to January 20, 2014. (Docket # 242.) The Court indicated in its ruling that the parties could request a further extension of time to file supplemental briefs "[t]o the extent there is no resolution on ownership of James' counterclaims in the bankruptcy proceedings by that time." (*Id.*)

5. On December 11, 2013, the Bankruptcy Court approved the bankruptcy trustee's request to sell Mr. James' bankruptcy estate by auction "as is" in a quitclaim sale. The auction is to take place within the next 30 days. A tentative auction date is set for January 13, 2014. Once the auction takes place there will be additional proceedings leading to the Bankruptcy Court's approval of

1 the sale, a process that is expected to take no less than 14 days. The Bankruptcy  
 2 Court has deferred to Judge Seeborg any decision regarding the scope of the “as is”  
 3 sale or its impact on this case, if any.

4  
 5 MSJ & Settlement Issues

6 6. The issue of Mr. James’ pre-petition interest in his counterclaims is  
 7 causing the delay of the Court’s ruling on the MSJ. Without a ruling on the MSJ,  
 8 the parties are unclear as to what rights Mr. James may have with respect to his  
 9 counterclaims, if any. The parties cannot adequately prepare for trial without  
 10 resolving this fundamental issue. The supplemental briefs are currently due  
 11 January 20, 2014. Another hearing may be necessary, which is likely to occur near  
 12 or after the current trial date of February 10, 2014. Based on that schedule there  
 13 will be inadequate time for counsel to adjust their trial preparation. The Court has  
 14 already acknowledged that this will be a complex and difficult case to try.  
 15 Preparing for a trial with an uncertain scope will compound that concern and is  
 16 likely to result in an inefficient use of time and resources.

17 7. The unresolved MSJ has prevented meaningful settlement discussions.  
 18 On December 3, 2013, a telephone conference was held with Judge Vadas to  
 19 discuss scheduling a second settlement conference. Judge Vadas agreed that  
 20 settlement discussions will be far more productive after the MSJ is resolved. Judge  
 21 Vadas agreed to conduct a second settlement conference on the condition the  
 22 parties obtain leave to continue the date for settlement conference completion. We  
 23 are informed and believe that the current settlement conference completion date is  
 24 December 23, 2013.

25 8. The parties suggest holding a status conference with the Court either  
 26 telephonically or in person in conjunction with the settlement conference  
 27 completion date so that the parties can report on progress and address any other  
 28 scheduling issues that may arise.

Discovery Issues

9. In addition to the primary concerns stated above, the parties are diligently striving to complete all remaining discovery in this matter. Some discovery issues remain, including the completion of some fact depositions and expert discovery, disputes regarding document production, disputes regarding third-party subpoenas, the availability of witnesses, and other issues. The resolution of these issues is not expect to be completed before late-January of 2014.

Conclusion

10. For the foregoing reasons the parties agree to the following extensions of time:

<u>Event</u>	<u>Current Date</u>	<u>Proposed New Date</u>
Discovery Motion Cut-Off	December 20, 2013	March 3, 2014
Fact Deposition Cut-Off	December 20, 2014	January 24, 2014 (only as to the depositions of Mary Anderson, Larry James, Luke Goetz, Andre Douzdjian, Nora Schild, and Daryl Dittmer)
Settlement Conference Completion and Telephonic Status Conference	December 23, 2013	March 27, 2014
Deadline to File Supplemental Briefs Re:	January 20, 2013	February 17, 2014

1	CornerStone MSJ		
2	Expert Discovery Cut-Off	January 20, 2014	March 28, 2014
3	Deadline to File Joint Pre-	January 23, 2014	May 1, 2014
4	Trial Statement		
5	Final Pre-Trial Conference	January 30, 2014	<del>May 8, 2014 (or as soon</del>
6			<del>thereafter as the Court's</del>
7			<del>schedule allows)</del>
8	Trial	February 10, 2014	<del>May 19, 2014 (or as soon</del>
9			<del>thereafter as the Court's</del>
10			<del>schedule allows)</del>

11  
12 **IT IS SO STIPULATED.**

13  
14 HILL, FARRER & BURRILL LLP

15  
16 Dated: \_\_\_\_\_

17 Signed: \_\_\_\_\_  
18 CLAYTON HIX  
19 Attorneys for CORNERSTONE  
20 STAFFING SOLUTIONS, INC. and  
21 Counter-Defendant MARY  
22 ANDERSON

23 MARRON LAWYERS

24 Dated: \_\_\_\_\_

25 Signed: \_\_\_\_\_  
26 PAUL ARENAS  
27 Attorneys for LARRY JAMES;  
28 DAVID R. BATTON; BATTON  
TECHNICAL ENGINEERING  
CONSULTANTS, INC.; BATTON,  
INC.; HANBON -- CARO I, LLC;  
HANBON -- MI I, LLC; HANBON  
MI II, INC.; HANBON --  
MARLETTE, LLC; HANBON -- PA  
I, LLC; TEC GROUP, INC.;  
DEPLOY HR, INC.; DEPLOYHR,  
INC.

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WOODS LAW GROUP

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_  
BRINY WOODS  
Attorneys for MICHAEL SANTOS  
and HANBON – CT I, LLC

BURKHARDT & LARSON

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_  
PHILIP BURKHARDT  
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WOOD, SMITH, HENNING & BERMAN,  
LLP

Dated: \_\_\_\_\_

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DEPLOY HR, INC.; DEPLOYHR,  
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ERICKSEN ARBUTHNOT

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_  
MARK KEIFER  
Attorneys for ANDRE DOUZDJIAN

~~[PROPOSED]~~ ORDER

Pursuant to the foregoing stipulation of the Parties and good cause appearing therefore, the Court orders as follows:

<u>Event</u>	<u>Previous Date</u>	<u>New Date</u>
Discovery Motion Cut-Off	December 20, 2013	March 3, 2014
Fact Deposition Cut-Off	December 20, 2014	January 24, 2014 (only as to the depositions of Mary Anderson, Larry James, Luke Goetz, Andre Douzджian, Nora Schild, and Darrel Dittmer)
Settlement Conference Completion Date and Telephonic Status Conference	December 23, 2013	March 27, 2014
Deadline to File Supplemental Briefs Re: CornerStone MSJ	January 20, 2013	February 17, 2014
Expert Discovery Cut-Off	January 20, 2014	March 28, 2014
Final Pre-Trial Conference	January 30, 2014	May 15, 2014 Courtroom 3 1:30 p.m.

1 2 3 4	Trial	February 10, 2014	May 27, 2014 Courtroom 3 9:00 a.m.
5			

**IT IS SO ORDERED.**

Date: 12/19/13

HON. RICHARD SEEBORG  
US DISTRICT COURT JUDGE

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